

Section 1.04

Payment of the principal amount of the Loan shall be made in forty-six (46) semi-annual instalments of which forty-five (45) instalments shall be for two hundred and seventeen thousand, three hundred and ninety-one dollars (\$217,391) and the forty-sixth (46th) and final instalment shall be for two hundred and seventeen thousand, four hundred and five dollars (\$217,405). Each instalment shall be due and payable on the last day of March and September in each year commencing September 1982 and ending March 2005.

Section 1.05

Payment of the interest shall be made in semi-annual instalments due and payable on March 31 and September 30 in each year, commencing from the first withdrawal of principal.

Section 1.06

All payments and repayments as set forth in Article I herein shall be applied first to the payment of any accrued interest and then to the repayment of the principal amount.

Section 1.07

Cuba shall have the right to prepay principal, in whole or in part, on any date without Notice to Canada. The amount of any such prepayment shall be applied first to the payment of any accrued interest and then to the instalments of principal then remaining payable in the reverse order of their maturity.

Section 1.08

All payments and repayments as set forth herein shall be made by Cuba in Canadian dollars to the Receiver General of Canada, and shall be deemed to have been paid when received by the Receiver General of Canada.

Section 1.09

The principal of, and all interest on, the Loan shall be paid without any deductions whatsoever and more particularly shall be free from any taxes, charges or other restrictions imposed under the Laws of Cuba.

Section 1.10

The Parties hereto agree that they may negotiate, at the request of either Canada or Cuba, concerning acceleration of payments to the Receiver General of Canada required to be made under this Agreement at any time after six (6) months before the first payment of the principal becomes due and payable. Canada and Cuba may mutually determine whether such an acceleration should take place.

ARTICLE II

Use of the Loan

Section 2.01

Except as may otherwise be specifically agreed to, the Proceeds of the Loan shall be used by Cuba exclusively for the purchase of equipment and/or machinery and related services in Annex A, and procedures for procurement and payment shall be those set forth in Annex B, both Annexes being subject to such modification as may be agreed upon between Canada and Cuba.